

## Facts About...

## The Marcellus Shale Safe Drilling Initiative

On June 6, 2011, Governor O'Malley signed an <u>Executive Order</u> establishing the Marcellus Shale Safe Drilling Initiative to ensure that, if drilling for natural gas from the Marcellus Shale proceeds in Maryland, it is done in a way that protects public health, safety, natural resources, and the environment.

- Maryland is mindful of the potential benefits that could come from exploring and exploiting Maryland's
  Marcellus shale gas reserves, which underlie Garrett County and part of Allegany County in the far western
  portion of Maryland.
- Lease payments, royalties, severance taxes, and the economic activity associated with drilling-related jobs could bring significant economic benefits to these western counties. An industry representative has estimated that as many as 1,600 wells could be drilled in 128,000 acres in Garrett County and another 637 wells in 51,000 drillable acres in Allegany County.
- When burned to produce electricity, natural gas produces lower greenhouse gas emissions than oil and coal.
- There are, however, many legitimate public health, safety, environmental, and natural resource issues concerning exploration and extraction of gas from the Marcellus Shale in Maryland. They relate not only to the hydraulic fracturing itself and its possible effect on drinking water, but also the cumulative impact of multiple wells on natural resources and the environment, including air pollution and forest fragmentation.
- The Marcellus Shale Safe Drilling Initiative is intended to provide critically needed information about the risks inherent in deep drilling and fracking and consensus about what policies and permit conditions would adequately protect against those risks.

The Marcellus Shale Safe Drilling Initiative is not a moratorium on drilling in the Marcellus Shale and does not restrict the Department's ability to issue permits under existing law and regulation.

- The Maryland Department of the Environment (MDE) currently has the authority in state law and regulation to place all reasonable conditions in permits necessary to provide for public safety and to protect public health, the environment and natural resources. What is lacking is a complete understanding of the risks inherent in deep drilling and fracking and consensus about how to protect against those risks.
- If information becomes available during the course of the study that is sufficient to demonstrate that the natural gas can be extracted from shale formations in Maryland without adverse impact to human health, natural resources, or the environment, MDE could issue permits with all appropriate safeguards in place.
- MDE will follow the legally required process for issuing any exploration or production permit, which includes an opportunity for public comment.

The Maryland Departments of the Environment and Natural Resources, in consultation with the Advisory Commission, will conduct a three-part study and present findings and recommendations as follows. This includes:

- By December 31, 2011, a presentation of findings and related recommendations regarding the desirability of legislation to establish revenue sources, such as a State-level severance tax, and the desirability of legislation to establish standards of liability for damages caused by gas exploration and production.
- By August 1, 2012, recommendations for best practices for all aspects of natural gas exploration and production in the Marcellus Shale in Maryland.



No later than August 1, 2014, a final report with findings and recommendations relating to the impact of
Marcellus Shale drilling including possible contamination of groundwater, handling and disposal of
wastewater, environmental and natural resources impacts, impacts to forests and important habitats,
greenhouse gas emissions, and economic impact.

The Executive Order instructs the Maryland Departments of the Environment and Natural Resources and the Advisory Commission to take advantage of other ongoing research.

- The Commission will review other studies being done by the U.S. Environmental Protection Agency, the U.S. Department of Interior, the U.S. Department of Energy, the State of New York, and the Delaware River Basin Commission, among others.
- The Commission will also review results of the federal Department of Energy's upcoming report on immediate steps that can be taken to improve the safety and environmental performance of hydraulic fracturing, as well as their consensus-recommended advice on practices for shale extraction to ensure the protection of public health and the environment.

The Advisory Commission includes a broad range of stakeholders and representatives from western Maryland, including representatives from the scientific community, the gas industry, business, agriculture, environmental organizations, citizens, and government.

- The Departments of the Environment and Natural Resources, in consultation with the Advisory Commission, will study issues related to natural gas exploration and production in the Marcellus Shale in Maryland.
- The Commission will be chaired by David Vanko, Ph.D., a geologist and current Dean of The Jess and Mildred Fisher College of Science and Mathematics at Towson University.
- Other Commission members include: Senator George Edwards; Delegate Heather Mizeur; Garrett County Commissioner James Raley; Allegany Commissioner William Valentine; Oakland Mayor Peggy Jamison; Shawn Bender, division manager at the Beitzel Corporation and president of the Garrett County Farm Bureau; Steven M. Bunker, director of Conservation Programs, Maryland Office of the Nature Conservancy; John Fritts, president of the Savage River Watershed Association and director of development for the Federation of American Scientists; Jeffrey Kupfer, senior advisor, Chevron Government Affairs; Dominick E. Murray, deputy secretary of the Maryland Department of Business and Economic Development; Paul Roberts, a Garrett County resident and co-owner of Deep Creek Cellars winery; Nick Weber, chair of the Mid-Atlantic Council of Trout Unlimited; and Harry Weiss, Esquire, partner at Ballard Spahr.
- Information about the study will be publicly available and the Advisory Commission's meetings will be open to the public.

The Maryland Department of the Environment has received a few permit applications for drilling and hydraulic fracturing in the Marcellus Shale.

- Applicants supply detailed information about their proposed activities, as well as evidence of insurance and bonding, a spill prevention, control and countermeasures plan, and a fire prevention and control plan.
- MDE's permit application requires applicants to identify the specific chemicals they will use for drilling and fracking.
- Prior to making any permit decision, Maryland law requires that the proposed activity be subjected to a formal public review and comment process.

